How an Invasion of the Canal Zone Was Foiled

SECRETS OF THE CIA

By PAUL MESKIL

Third of a series

The Central Intelligence Agency once investigated Fidel Castro, ballerina Margot Fonteyn and actors John Wayne and Errol Flynn in connection with a bizarre invasion of Panama.

The colorful cast of this comic-opera conspiracy included three American adventurers, two of whom were working for the CIA. William Morgan and Alex Rorke, both former U.S. Army paratroopers, were on opposite sides of the Panama plot. And Frank Sturgis, a former Marine Raider, was in the middle.

Sturgis, born Frank Fiorini, was a gun-runner and troop-trainer for Castro. Then he became security and intelligence chief of the Cuban Air Force, meanwhile serving as a secret agent of the CIA.

Morgan was a freelance conspirator, more interested in money than politics. A native of Toledo, Ohio, he went to Cuba in 1958 and became second-in-command of an independent rebel army in the Escambray Mountains. This noncommunist force helped Castro's guerrillas overthrow the Batista dictatorship and Castro made Morgan a major, highest rank in the revolutionary army.

The quick victory over Batista, and the spoils that went with it, encouraged Morgan to consider extending the revolution to other Latin lands. A few weeks after the Castro takeover in Havana, Morgan called at Capt. Frank Fiorini's office in Cuban Air Force headquarters.

"Major Morgan spoke to me confidentially," Sturgis told The News. "He said he was preparing an invasion of Panama and the Canal Zone. He wanted me to be second-in-command of the expedition. I told him I was interested, but not in a leadership position.

"I said, 'Bill, you've got to be crazy. The American government's got a military force there. You're willing to go against your own country?' He said, 'Well, the U.S. never did anything for me.'"

The American military strength in the Canal Zone at that time in 1959 totaled about 3,000 men, compared to 65,000 in World War II. Morgan figured a surprise attack by a few hundred Cubans, assisted by Panamanian leftists staging riots and other disorders, would be sufficient to capture or at least sabotage the vital canal.

"The conspirators planned to overthrow the Panamanian government and grab the Canal for propaganda and extortion reasons," Sturgis said.

"They were going to send a ship, loaded with explosives, through the canal locks. They were going to blow up and sink the ship somewhere near the locks, so that the gates and locks would be damaged and ship traffic would be stopped in both directions.

"Morgan figured it would tie up the canal for at least two months. He was all set to go. He had the men, guns, ships, planes, everything.

"I contacted the American Embassy in Havana and notified the (CIA) agent in charge. I took Col. Nichols (Erickson Nichols, air attache at the embassy) to

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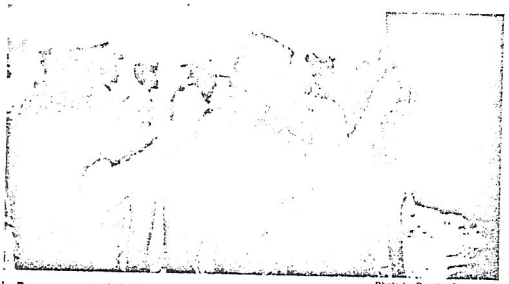

In Panama, part of the invasion team is quickly seized.

Photo by Rosello Casarros

A BIZARRE INVASION OF PANAMA

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the air base and showed him the camouflaged planes that were to be used for the invasion, and I named all the people who were involved in the conspiracy."

Those names reportedly included Margot Fonteyn, superstar of London's Royal Ballet and dame commander of the Order of the British Empire (the equivalent of knighthood), and her rich, aristocratic husband, Roberto Arias, former Panamanian ambassador to Britain and son of a former president of Panama.

Dame Margot and her husband were in Cuba at the time. So was Ruben Miro, head of the Panamanian revolutionary movement. They allegedly conferred with Morgan at Cienfuegos, where he was military commander.

According to intelligence reports, the invasion was to take place while Castro was visiting the United States and Canada. A spearhead force of Cubans and Panamanians would land on the Caribbean coast of Panama. A second force of Panamanians would strike inland from the Pacific coast. Then the main invasion army would sail in from Cuba.

Police and National Guard posts were to be attacked. Rebel bands were to come down from the mountains to join the invaders. And militant leftists were to march on the Canal Zone and riot in Panama City, to keep Panamanian police and U.S. troops occupied.

But Frank's reports to the CIA provided sufficient advance warning.

Castro left Cuba on April 14. Then Arias and his wife flew to Panama and rented the 42-foot motor launch Nola for $75 a day, saying they were going fishing. Five tough-looking men accompanied them.

Cache of arms

They reportedly sailed directly to a spot where a cache of arms — semi-automatic rifles, revolvers, machineguns, grenades and ammunition in waterproof containers — had been dropped in the Pacific Ocean, 15 miles outside the Panama Canal entrance. The shrimp boat Elaine had been standing by for the arms drop. It retrieved the weapons from the water and later transferred them to the Nola.

The "fishermen" aboard the Nola came ashore on the Pacific coast, near Santa Clara, and buried the guns and ammo on the beach. Dame Margot and her husband then resumed their cruise.

On April 18, after receiving a CIA report that an invasion ship had sailed from the Cuban port of Batabano (part of Morgan's military district in Las Villas Province), the Panamanian government ordered Arias' arrest. He heard the news on the Nola's radio, returned to the Santa Clara area and went into hiding on his family's ranch.

Before dawn next day, the Nola slipped into the Panama Canal with only the skipper and Dame Margot aboard. She went to the home of her sister-in-law, Senora Chela Arias. A few hours later, she was arrested. After 24 hours in jail, the prima ballerina was booted back to Britain. Meanwhile, Arias had taken refuge in the Brazilian Embassy in Panama City. He was later allowed to leave the country.

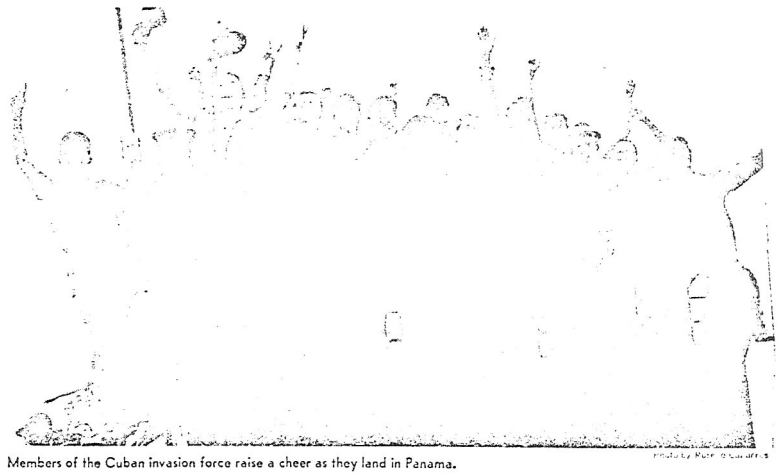
National guardsmen found the arms buried in the beach at Santa Clara. A second arms cache was discovered near a cottage owned by an American friend of the Arias family.

Late Friday night, April 24, a Cuban ship landed at Puerto Coronado on the Caribbean coast of Panama, about 60 miles northeast of the capital. In it were 35 armed men, Cubans and Panamanians, and a woman nurse.

Three of the men drowned in the surf as they tried to beach the boat. The rest were quickly captured by Panama's National Guard. Three more Cuban ships had left the Cuban ports of Cienfuegos and Batabano with the main invasion force of about 500 men, mostly Cubans who had fought under Morgan. When Raul Castro learned that the spearhead had failed to penetrate Panama, he called off the invasion and ordered the three followup ships back to Cuba.

Meanwhile, Panamanian officers discovered a blue canvas bag left behind by Dame Margot. Among the interesting items in it were a notebook containing a list of arms to be used in the two-pronged invasion, maps of Panama, a code table and several letters which Panamanian authorities said proved Margot's involvement in the plot.

There was also a letter from film star John Wayne. Signed "Duke," it noted that Arias had received $25,000 from Wayne's account between Nov. 19, 1974, and April 6, 1969.



Members of the Cuban invasion force raise a cheer as they land in Panama.

British dancer Margot Fonteyn and her Panamanian husband were reportedly involved in the plot

Questioned by American agents, Wayne explained that he and Arias were partners in a shrimp-exporting business. "I don't deal in politics," he said. "I'm an actor." The feds were convinced he knew nothing about the Panama plot.

Errol Flynn also was asked about his friendship with Arias. They had been seen together in Cuba, where Flynn was making a movie based on the Castro revolution. The screen swashbuckler said Arias wanted to hire Flynn's yacht, the ocean-going Zaca, for a trip to Panama. Suspecting what he had in mind, Flynn refused.

Some CIA agents believe Morgan would not have attempted the Panama invasion without Castro's consent. But Fidel insisted: "I had nothing to do with it."

When the spearhead force splashed ashore on a San Blas Indian reservation, the CIA had a man at the scene. He was Alexander Rorke Jr., a freelance journalist, photographer and intelligence agent.

Double doublecross

Son of a New York judge, Alex served as a paratrooper and intelligence specialist in World War II. In 1952, he married actress Jacqueline Billingsley, daughter of Stork Club owner Sherman Billingsley.

Frank Nelson, an American businessman in Cuba, was involved with Sturgis, Morgan and Rorke in various plots, including a double doublecross. Nelson, who now lives in New York and has just finished writing a book titled "For a Million Dollars," told the News:

"I started The counter-revolution against Castro in 1959 because he arrested a close friend of mine. I went to see Frank Sturgis in Havana and asked if there was anything he could do to get my friend out of jail. He sent me to Morgan who was very close to Castro, but Morgan wasn't interested in anything but money.

"I found out that Castro was going to invade the Dominican Republic, so I went there and told Trujillo (Dominican Dictator Rafael Trujillo) about the invasion plans. I said he should beat Castro to the punch and invade Cuba, with Morgan's help.

"I told Trujillo, 'I think you can buy Morgan for a million dollars. Let him take his army back to the mountains and establish a base. Then you come in with your army and in a few days Castro is finished.'"

Trujillo approved the million-dollar deal and put up the cash to get it started. Nelson said he paid Morgan $500,000 down, plus $100,000 "for expenses." The remaining $500,000 was to be put in when the invasion of Cuba began.

Sturgis soon learned the details of this new plot and informed the CIA. When the agency pulled Sturgis out of Cuba in the summer of 1959, it sent Rorke in to find out what was happening.

Nelson arranged a meeting between Rorke and Morgan. Soon after Rorke arrived in Havana, he phoned Morgan's home. A woman answered, identified herself as "Mrs. Morgan" and told Rorke to come on over. When he got there, he was arrested. The woman who answered the phone was Vilma Espi, Raul Castro's wife.

By this time, Morgan had told Fidel about the invasion plot. Without mentioning the million dollars, he said he had pretended to go along with Trujillo in order to set a trap.

In mid-August, Morgan sent an urgent radio message to the chief of Dominican military intelligence. He said he had seized Trinidad, on the south coast of Cuba, as an invasion beachhead. When a planeload of Dominican soldiers and arms landed near Trinidad next day, it was surrounded by 1,000 Cuban troops led by Fidel Castro himself.

The Dominicans were paraded before TV cameras on their way to jail. Castro denounced Trujillo and praised Morgan as a hero. Less than two years later, Morgan was executed by a Castro firing squad for a much less profitable plot.

What became of the $600,000 is not known. Neither Morgan's Cuban wife nor his American family ever saw a cent of it. Nor did Castro.

As soon as the Trujillo invasion collapsed, Alex Rorke was released from jail and deported from Cuba. But he returned many times by air and sea. For these clandestine trips, he used a twin-engine Beechcraft plane, a B-25 bomber and a 36-foot speedboat, the Violynn III. Stargis accompanied him on many mysterious missions.

On one occasion, Rorke reportedly landed an execution squad that tried but failed to kill Castro. Early in 1963, the Violynn III was detained in the Bahamas when it stopped to refuel on a run between the U.S. and Cuba. British intelligence agents questioned Rorke and the 17 Cuban raiders who were with him. Rorke told them the CIA had financed many trips of the Violynn III and "the United States government, through the Central Intelligence Agency, had advance knowledge of these trips."

Former CIA agents told The News this statement was true.

On April 25, 1963, Rorke and three other CIA contract agents flew over Havana in the Beechcraft and tried to bomb two oil refineries. The bombs missed their targets and caused little dam-

Five months later, Rorke went on his last mission. The 34-year-old adventurer and his partner, Geoffrey Sullivan, 28, of Waterbury, Conn., took off from Ft. Lauderdale, Fla., in a rented twin-engine Beechcraft on Sept. 24, 1963. Two Cubans accompanied them.

Rorke and Sullivan filed a flight plan indicating they were bound for Nicaragua, where they planned to start an air freight service. They made two fuel stops — at Cozumel Island off Mexico's Yucatan Peninsula and at Belize, British Honduras. When they left Belize, the plane disappeared.

That night, Sturgis received a report that the plane was overdue in Nicaragua. Frank immediately called the commander of naval intelligence in Miami. An air-sea search was launched by the Navy, Coast Guard and Air Force. A private search party was organized later by Rorke's Miami lawyer and personal friend, Ellis Rubin. But no trace of the missing Americans or their plane was ever found.

Forced onto boat

Some investigators believe the plane was sabotaged by Castro agents. Frank Nelson has another theory:

"When they stopped to refuel at Stanley Field near Belize, Alex spoke to an American commercial pilot, Floyd Park of Alamo, Texas. Alex said they were headed for Tegucigalpa (capital of the Republic of Honduras). They took off in the direction of Tegucigalpa, but they never got there.

"Several months later, Park received information from a couple of Hondurans that two Americans answering the description of Rorke and Sullivan were forced to board a Cuban fishing boat that had pulled into shore in Honduras two weeks earlier with engine trouble. The fishing boat left immediately after the two Americans were put on board."

If these men were indeed Rorke and Sullivan, they never reached Cuba. Investigators are certain of that. The two Cubans who left Florida with Rorke and Sullivan were still with them when they made the two fuel stops. According to reports received by both Nelson and Sturgis, one of these men was Eurome Molina, a Cuban officer who supposedly turned against Castro and fled to the United States.

"Molina was seen in Havana a few months after he disappeared with Rorke and Sullivan in Central America," Nelson said. He believes Molina may have forced the Americans to land somewhere in Honduras, where they were delivered to Castro agents who kidnaped and killed them.

Next: The CIA and the Mob